



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 15-76)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/ (703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-76 with attached Policy Justification and Sensitivity of Technology.

Dated: November 25, 2015.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

NOV 09 2015

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 15-76, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to the Government of the United Kingdom for defense articles and services estimated to cost \$80 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

for J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 15-76

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: United Kingdom
- (ii) Total Estimated Value:

Major Defense Equipment*	\$80million
Other	<u>\$ 0million</u>
TOTAL	\$80million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):
Five hundred (500) AGM-114R Hellfire II Semi-Active Laser (SAL) Missiles.
- (iv) Military Department: Air Force (YAY), Amendment 4
- (v) Prior Related Cases, if any:

FMS Case UK-B-WKG - \$113,000 - Apr 1998
FMS Case UK-B-WKI - \$21M -Sep 2007
FMS Case UK-D-YAC - \$22M -May 2008
FMS Case UK-D-YAF - \$21M - Mar 2011
FMS Case UK-D-YAY - \$67M - Aug 2013
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 9 NOV 2015

* As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

United Kingdom - Hellfire Missiles

The Government of the United Kingdom (UK) requested a possible sale of five hundred (500) AGM-114R Hellfire II Semi-Active Laser (SAL) Missiles. The estimated cost is \$80 million.

This sale directly contributes to the foreign and national security policies of the United States by enhancing the close air support capability of the UK in support of NATO and other coalition operations. Commonality between close air support capabilities greatly increases interoperability between our two countries' military and peacekeeping forces and allows for greater burden sharing.

The proposed sale improves the UK's ability to meet current and future threats by providing close air support to counter enemy attacks on coalition ground forces in U.S. CENTCOM's area of responsibility. The UK currently has Hellfire missiles in its inventory and will have no difficulty absorbing these additional missiles.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

There is no principal contractor for this sale as the missiles are coming from U.S. Army stock. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to the UK.

There will be no adverse impact on United States defense readiness as a result of this proposed sale. All defense articles and services are approved for release by our foreign disclosure office.

Transmittal No. 15-76

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(viii) Sensitivity of Technology:

1. AGM-114R Hellfire. The AGM-114R Hellfire II Semi-Active Laser (SAL) Missiles are rail-launched guided missiles developed and produced by Lockheed Martin. The weapon system hardware, as an "All Up Round," is UNCLASSIFIED. The highest level of classified information to be disclosed regarding the AGM-114R Hellfire II missile software is SECRET. The highest level of classified information that could be disclosed by a proposed sale or by testing of the end item is SECRET and the highest level that must be disclosed for production, maintenance, or training is CONFIDENTIAL. Software sensitivity is primarily in the programs that instruct the system on how to operate in the presence of countermeasures.
2. If a technologically advanced adversary obtained knowledge of the specific hardware and software elements, the information could be used to develop countermeasures or equivalent systems which might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.
3. A determination has been made that the UK can provide substantially the same degree of protection for the AGM-114R Hellfire II missiles as the United States Government. Transfer of these missiles to the UK is necessary in the furtherance of United States foreign policy and national security objectives.
4. All defense articles and services listed in this transmittal are authorized for release and export to the Government of the United Kingdom.